

## Message Text

CONFIDENTIAL

PAGE 01 MOSCOW 08105 291817Z

67

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 AID-20 EB-11 CIEP-02 TRSE-00 STR-08 OMB-01

CEA-02 COME-00 SAJ-01 NIC-01 DRC-01 SCI-06 INT-08

FEA-02 /163 W

----- 075131

R 291607Z MAY 74

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 9251

INFO AMEMBASSY BELGRADE

USMISSION BERLIN

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

USMISSION EC BRUSSELS

USMISSION NATO

AMEMBASSY WARSAW

AMCONSUL ZAGREB

C O N F I D E N T I A L MOSCOW 8105

E.O. 11652: GDS

TAGS: ENRG EFIN COMECON YU UR

SUBJECT: POSSIBLE CEMA INTERNATIONAL INVESTMENT BANK CREDIT  
FOR ADRIATIC PIPELINE

REF: MOSCOW 6319; MOSCOW 6290; BELGRADE 2075

1. OFFICER OF YUGOSLAV EMBASSY MOSCOW CONCERNED WITH SOVIET-YUGOSLAV ECONOMIC RELATIONS INDICATED MAY 29 THAT "THERE IS POSSIBILITY" THAT CEMA INTERNATIONAL INVESTMENT BANK (IIB) MAY EXTEND CREDIT TO YUGOSLAVIA TO HELP FINANCE ADRIATIC PIPELINE FROM RIJEKA NORTH TO EASTERN EUROPE. SOURCE COMMENTED THAT IN  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MOSCOW 08105 291817Z

EARLIER CONVERSATION, ABOUT THREE WEEKS AGO, HE HAD SAID THAT

YUGOSLAVIA WAS NOT CONSIDERING AN IIB CREDIT FOR THE PIPELINE. NOW, HOWEVER THE SITUATION IS DIFFERENT AND THE POSSIBILITY EXISTS THAT AN IIB CREDIT MAY BE ACCEPTED TO SUPPLEMENT FINANCING BEING OBTAINED FROM THE WORLD BANK AND KUWAIT. FINANCING IS ALSO BEING OBTAINED FROM GOVERNMENTS OF HUNGARY AND CZECHOSLOVAKIA, MAINLY FOR PORTIONS OF LINE BEING CONSTRUCTED WITHIN THEIR RESPECTIVE TERRITORIES.

2. SINCE SOURCE WAS RELUCTANT TO DISCUSS SUBJECT FURTHER, WE DID NOT PRESS FOR MORE DETAILS OR ASK IN WHAT WAY SITUATION IS NOW DIFFERENT. HOWEVER, WE REGARD HIS COMMENT AS GOOD INDICATION THAT IIB FINANCING FOR ADRIATIC LINE AUTHORITY UNDER ACTIVE CONSIDERATION OR ALREADY APPROVED.

3. REGARDING HARD CURRENCY NEEDED FOR PURCHASE OF PIPE FROM WESTERN EUROPE, WE WERE TOLD SEVERAL WEEKS AGO BY WELL-INFORMED MEMBER OF MOSCOW'S INSTITUTE FOR WORLD SOCIALIST ECONOMY THAT SIGNIFICANT PART OF ANY IIB CREDIT FOR ADRIATIC PIPELINE WOULD BE IN HARD CURRENCY. ALTHOUGH OUR INITIAL REACTION HAS BEEN THAT THIS IS UNLIKELY, IIB DOES HAVE HARD CURRENCY RESERVES AND SUPPLY OF ENERGY TO EASTERN EUROPE IS A HIGH PRIORITY CEMA (AND SOVIET OBJECTIVE. HENCE, WE BELIEVE THERE IS GOOD CHANCE THAT SOME PORTION OF ANY IIB CREDIT FOR THIS PROJECT MAY BE IN CONVERTIBLE CURRENCY.

STOESSEL

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CREDIT, INVESTMENT LOANS, PETROLEUM PIPELINES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974MOSCOW08105  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740135-0569  
**From:** MOSCOW  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740511/aaaaajct.tel  
**Line Count:** 86  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** MOSCOW 6319; MOSCOW 6290; BELGRADE 2, 075  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 05 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <05 APR 2002 by cunninfx>; APPROVED <13 JUN 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POSSIBLE CEMA INTERNATIONAL INVESTMENT BANK CREDIT FOR ADRIATIC PIPELINE  
**TAGS:** ENRG, EFIN, YO, UR, COMECON, CEMA, IIB  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005